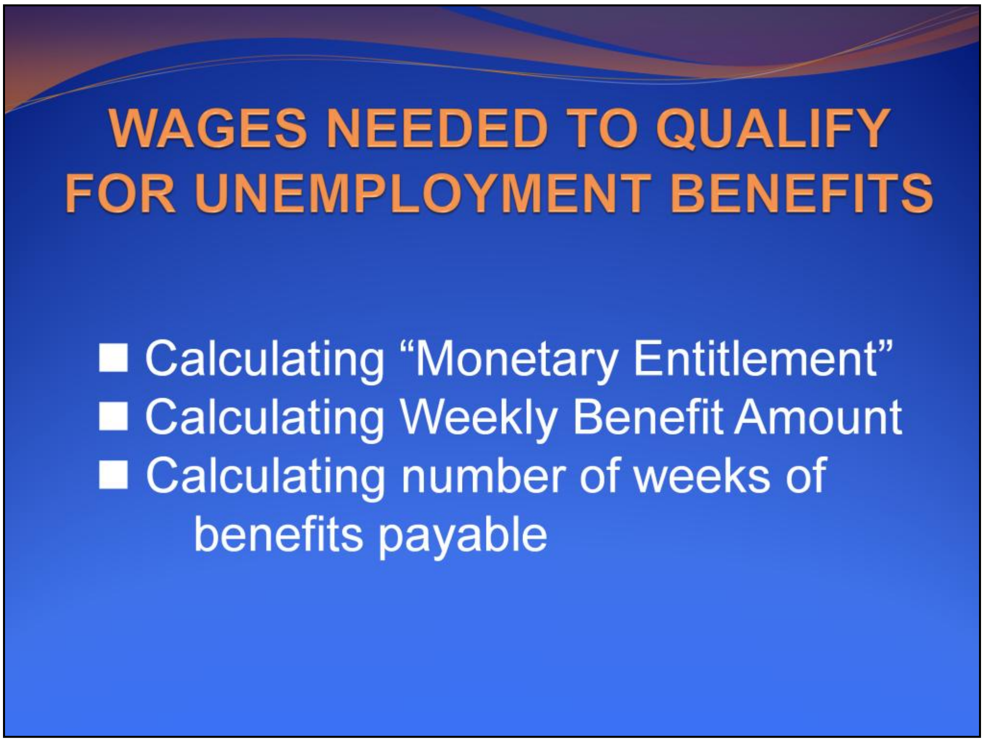
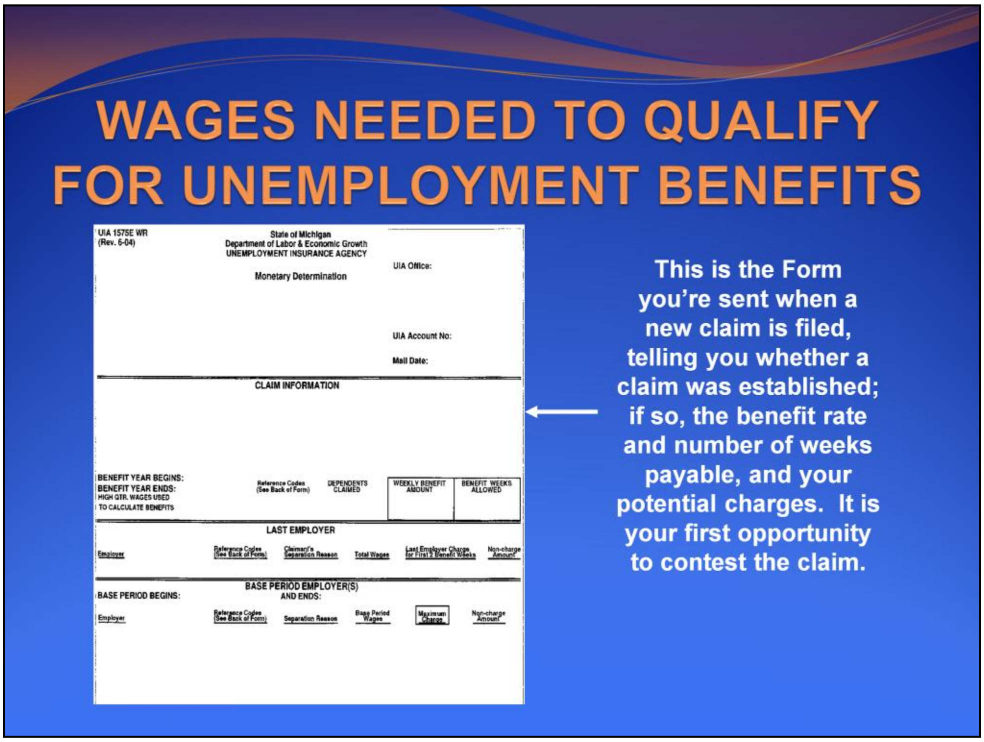


Next, we're going to talk about how a worker's monetary entitlement to weekly unemployment benefit amount is calculated, how the weekly unemployment benefit amount is calculated, how the number of weeks of benefits is calculated, and how the weekly benefit payment is reduced due to earnings in the week.



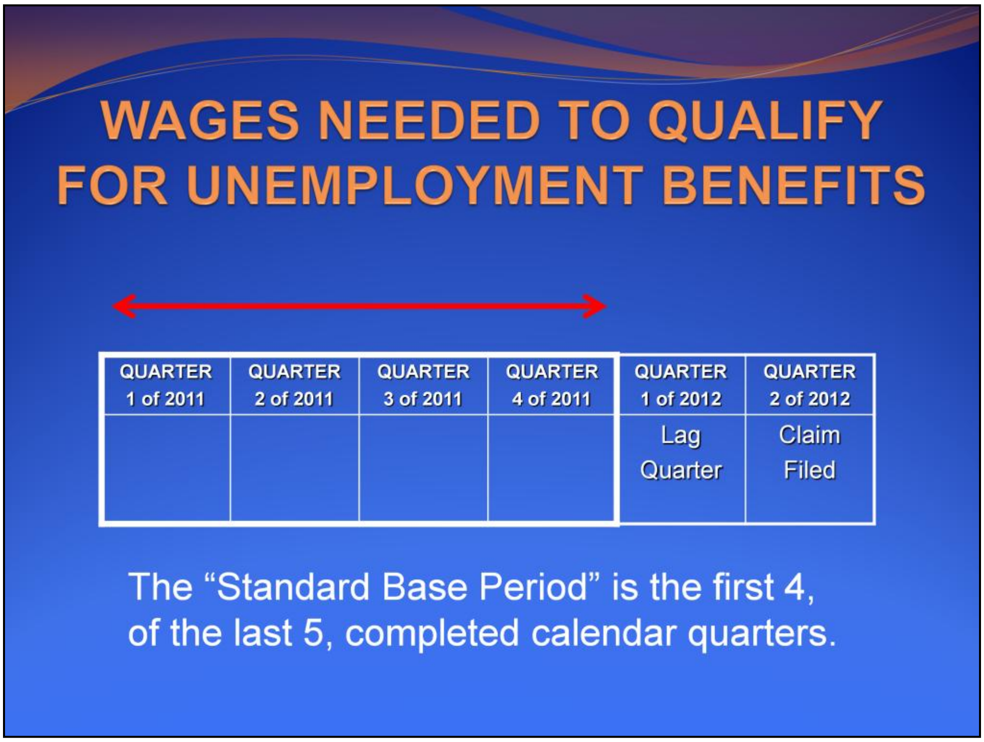
When a claimant files a new claim for benefits, the Agency issues this Form, called a Monetary Determination (Form UIA 1575) to both the claimant and the employer. It shows whether the claim was successfully established, and, if so, the weekly benefit amount potentially payable, and the number of weeks potentially payable. It also indicates to the most recent employer, and each of the employers in the base period of the claim, what their potential benefit charges would be IF all weeks of benefits were payable at the stated weekly benefit amount.

When a worker files a new claim for benefits (because the worker does not still have a former claim in existence), the law requires the UIA to look at the wages the person was paid during the "Base Period" of the claim. The "Base Period" is made up of previously completed "Calendar Quarters." There are four calendar quarters in a year. The first quarter runs from January through March; the second calendar quarter runs from April through June; the third calendar quarter goes from July through September; and the fourth calendar quarter is from October through December.

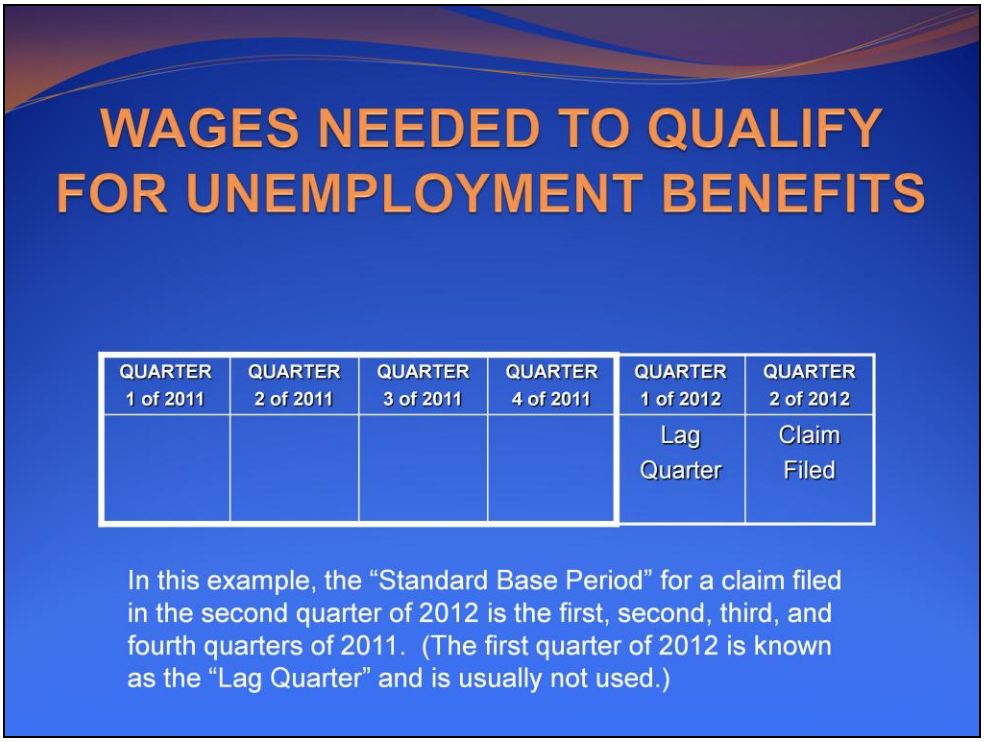
Some of the wages paid to a claimant, however, might not be used to set up a claim, because some wages are "excluded" from coverage for unemployment benefits. The most common exclusions are wages paid by a private (non-governmental) employer to a minor, high school student who is working fewer hours than other employees, or is working during the summer and later returns to school, or is working for school credit. Wages paid to legislators, judges, elected officials, and some political appointees are also excluded. Wages paid by a church are usually excluded (although one major denomination in Michigan has "elected" coverage for all its workers), as are wages to a spouse.

Now let’s take a look at how “base period wages” are used to calculate a worker’s weekly benefit amount and duration of weeks of benefits. We’ll first see what the “base period” is that applies to a claim.

Let's take a case where the worker files a new claim on June 14, 2012. That date is in the second calendar quarter of 2012.

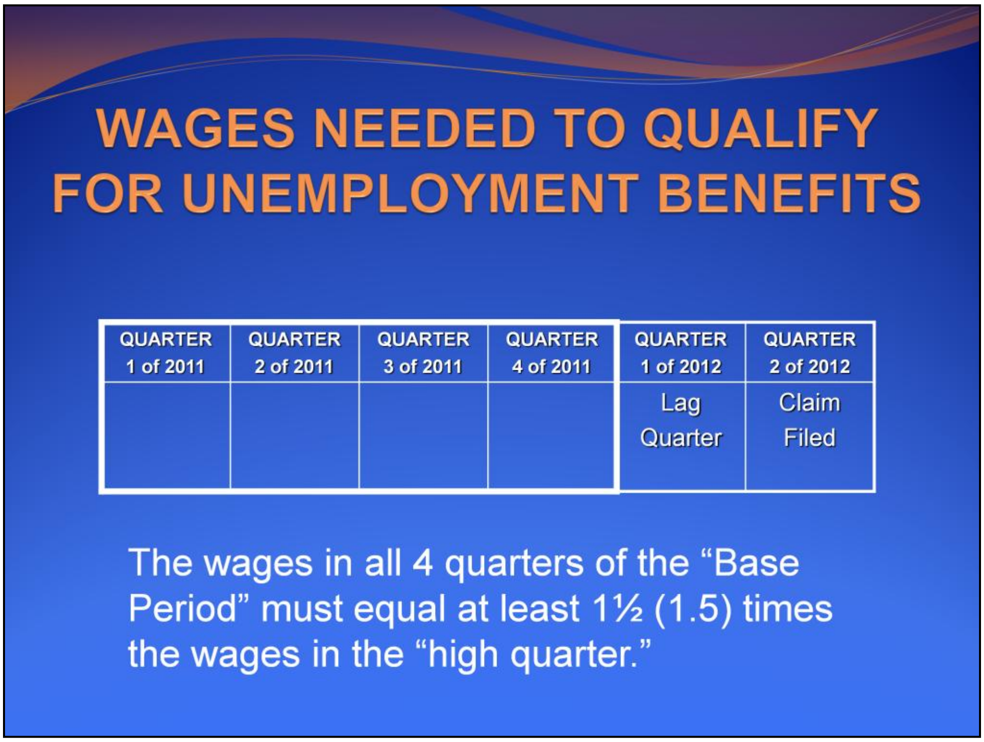


The UIA must look at wages paid to that worker during the first 4, of the last 5, completed calendar quarters. The last calendar quarter prior to the filing was the quarter ending March 31, 2012, which was the first calendar quarter of 2012. That quarter is called the “Lag Quarter” and is not usually counted in the quarters used to establish a claim.



We'll first take a look at wages the worker was paid in the "Standard Base Period" which does not include the "Lag Quarter." As we'll see later, if the worker lacks sufficient wages in the "Standard Base Period," then the UIA inquires about wages in the Lag Quarter and may be able to set up a claim using those wages.

To have enough wages to set up a claim, the worker must have worked in at least two quarters in the base period, and must have gross wages in the quarter with the highest wages of at least $2,871.



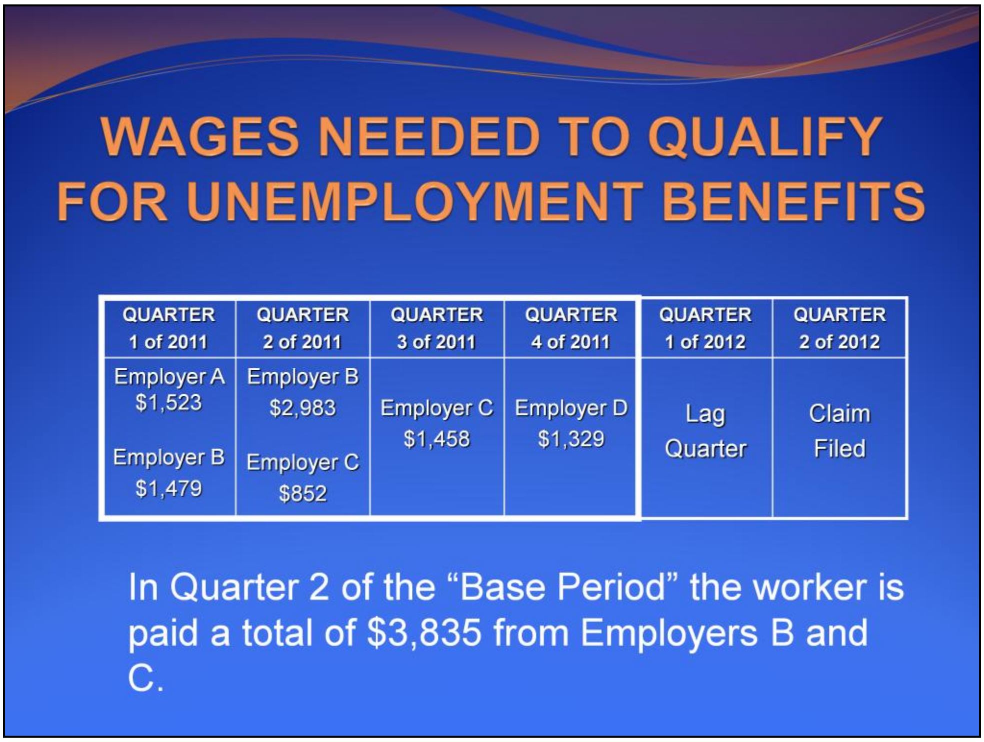
If the worker meets that requirement, then the high quarter wages are multiplied by 1½ (1.5) to see if the worker meets the third requirement, which is that gross wages in the entire base period are at least 1½ times the high-quarter wages.

WAGES NEEDED TO QUALIFY FOR UNEMPLOYMENT BENEFITS

QUARTER 1 of 2011	QUARTER 2 of 2011	QUARTER 3 of 2011	QUARTER 4 of 2011	QUARTER 1 of 2012	QUARTER 2 of 2012
Employer A $1,523 Employer B $1,479	Employer B $2,983 Employer C $852	Employer C $1,458	Employer D $1,329	Lag Quarter	Claim Filed

Let’s say a worker earns the wages shown. In Quarter 1 of the “Base Period” the worker is paid a total of $3,002 from Employers A and B.

Here’s an example with wages filled in, to show how all this works. Gross wages from all the employers the worker worked for in a calendar quarter are combined to show total gross wages for that quarter. Here, in the first quarter, the combined gross wages were $3,002 from Employers A and B.



In the second quarter, the total gross wages for this worker were $3,835.

WAGES NEEDED TO QUALIFY FOR UNEMPLOYMENT BENEFITS

QUARTER 1 of 2011	QUARTER 2 of 2011	QUARTER 3 of 2011	QUARTER 4 of 2011	QUARTER 1 of 2012	QUARTER 2 of 2012
Employer A $1,523 Employer B $1,479	Employer B $2,983 Employer C $852	Employer C $1,458	Employer D $1,329	Lag Quarter	Claim Filed

In Quarter 3 of the “Base Period” the worker is paid $1,458 by Employer C.

The worker had just one employer in the third quarter of the base period, with wages of $1,458.

WAGES NEEDED TO QUALIFY FOR UNEMPLOYMENT BENEFITS

QUARTER 1 of 2011	QUARTER 2 of 2011	QUARTER 3 of 2011	QUARTER 4 of 2011	QUARTER 1 of 2012	QUARTER 2 of 2012
Employer A $1,523 Employer B $1,479	Employer B $2,983 Employer C $852	Employer C $1,458	Employer D $1,329	Lag Quarter	Claim Filed

In Quarter 4 of the “Base Period” the worker is paid $1,329 by Employer D.

Wages in the fourth quarter were $1,329.

WAGES NEEDED TO QUALIFY FOR UNEMPLOYMENT BENEFITS

QUARTER 1 of 2011	QUARTER 2 of 2011	QUARTER 3 of 2011	QUARTER 4 of 2011	QUARTER 1 of 2012	QUARTER 2 of 2012
Employer A $1,523 Employer B $1,479	Employer B $2,983 Employer C $852	Employer C $1,458	Employer D $1,329	Lag Quarter	Claim Filed

In all four quarters of the worker's base period, the worker was paid wages of $9,624. That is more than 1½ times the worker's high quarter wages of $3,835. The worker's wages will qualify the worker for a claim, based on wages.

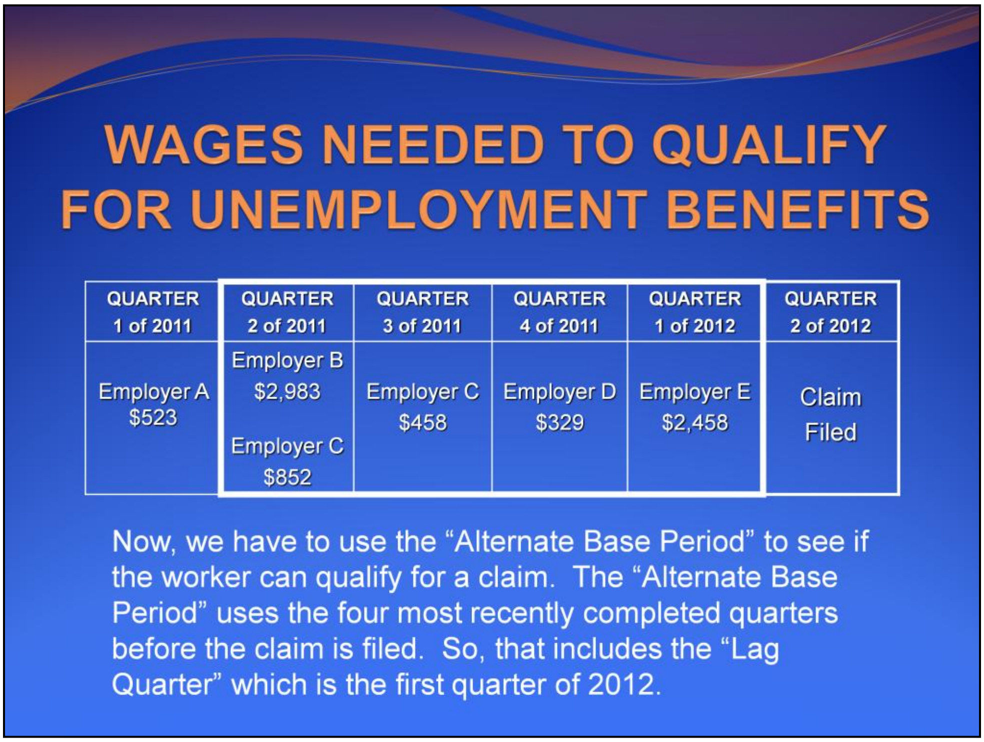
The worker's high quarter wages were $3,835 (exceeding the minimum required of $2,871), and total gross wages of $9,624 in the entire 4 quarters of the base period exceeded 1½ times high quarter wages, so this worker is qualified for a new claim, on the basis of wages.

WAGES NEEDED TO QUALIFY FOR UNEMPLOYMENT BENEFITS

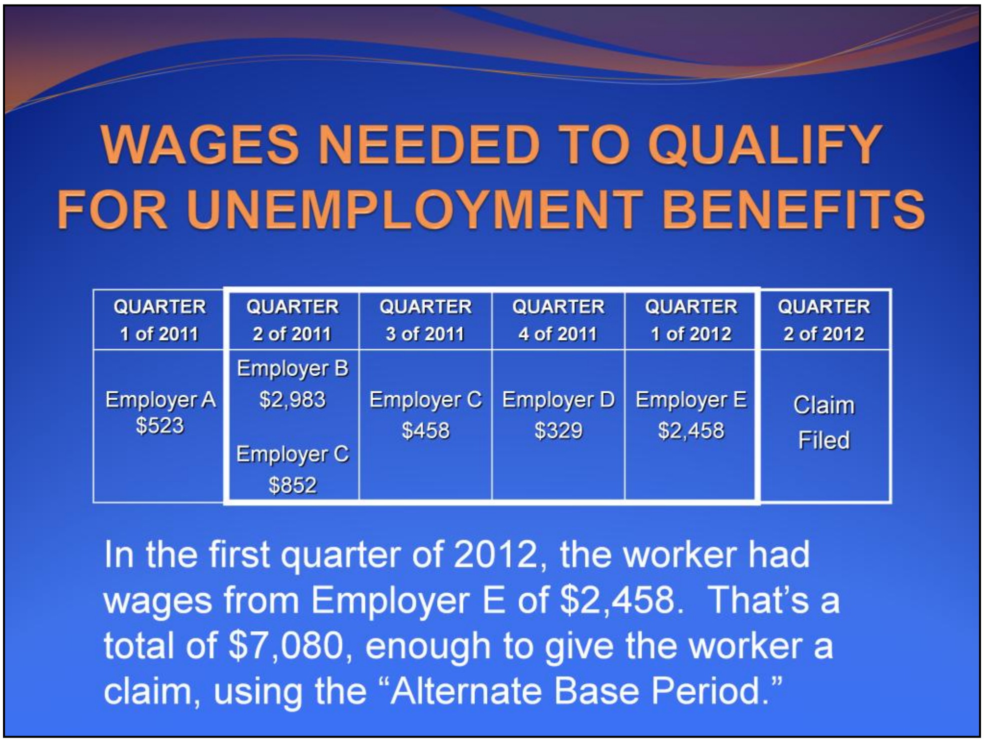
QUARTER 1 of 2011	QUARTER 2 of 2011	QUARTER 3 of 2011	QUARTER 4 of 2011	QUARTER 1 of 2012	QUARTER 2 of 2012
Employer A $523	Employer B $2,983 Employer C $852	Employer C $458	Employer D $329		Claim Filed

I've changed the numbers now. The high quarter wages are still $3,835, but the wages in quarters 1 through 4 of 2011 now total only $5,145, which is less than 1½ times this worker's high quarter wages.

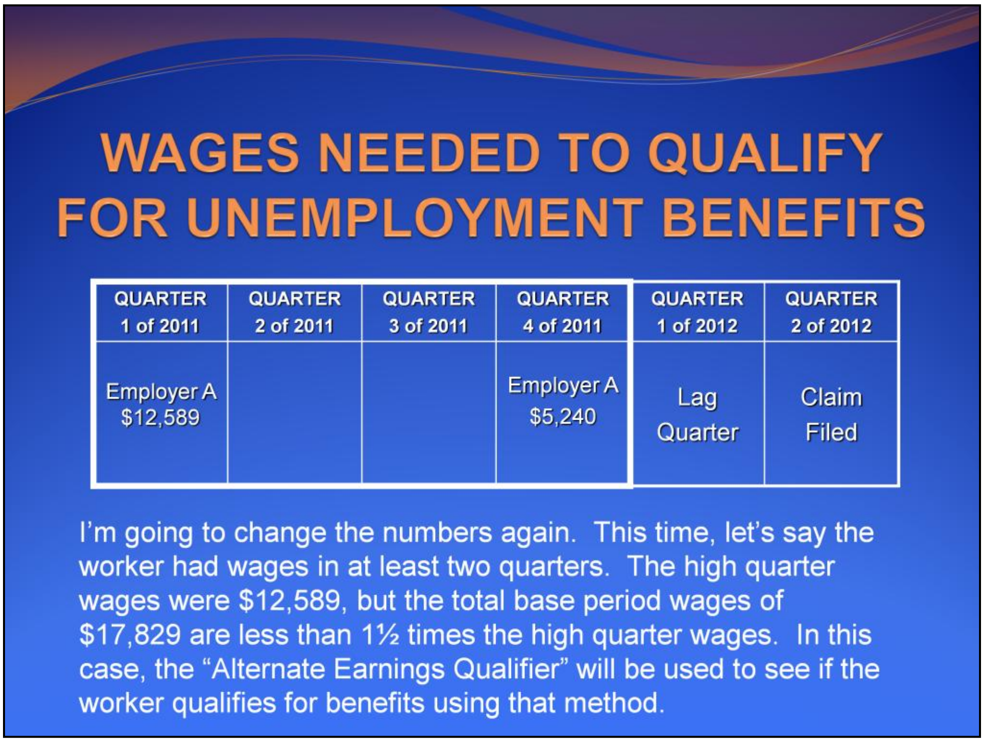
Now let's change the numbers a little. The worker's high quarter wages will still be $3,835, but now the total gross wages in all 4 quarters of the base period are only $5,145, which is less than 1½ times the worker's high-quarter wages. With these numbers, this worker would not qualify for a claim.



We’ll have to take a look, in that event, at the worker’s wages in the “Lag Quarter” which in this example is the first calendar quarter of 2012.

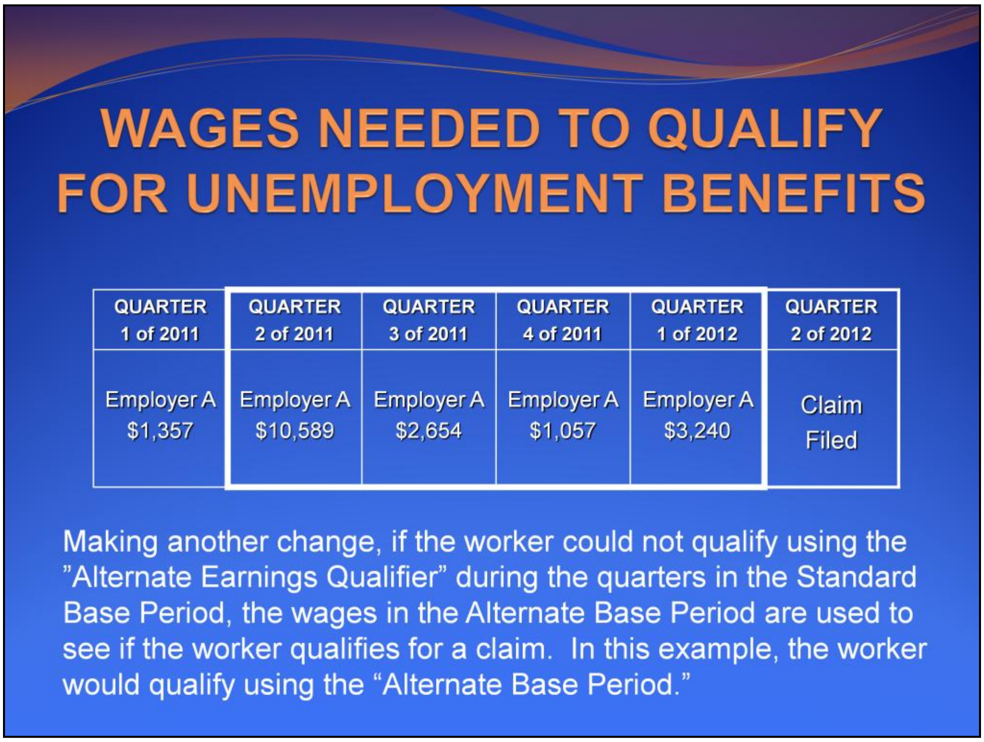


Counting those "Lag Quarter" wages, the worker could qualify because adding in the wages from Employer E brings the total base period wages to $7,080, more than 1½ times the high-quarter wages. The claim is therefore set up using the "Alternate Base Period" which is the period of 4 quarters that INCLUDES the "Lag Quarter." The wages from the Lag Quarter are used ONLY if the worker could not qualify at all using the Standard Base Period because the wages in the Standard Base Period were insufficient.



I'm going to change the numbers again now. Let's say the worker had wages in at least two calendar quarters, but either lacked high quarter wages of at least $2,871, or lacked total base period wages of at least 1½ times the high-quarter wages. Here, the high quarter wages were $12,589, but the total base period wages were only $17,829, less than 1½ times the high-quarter wages.

In that situation, the law requires the UIA to check to see if the worker can qualify for benefits using the “Alternate Earnings Qualifier.” The “Alternate Earnings Qualifier” requires the worker to have wages in at least two of the calendar quarters in the Base Period, and requires that the worker’s gross wages in the entire 4 quarters of the Base Period totaled at least 20 times the State Average Weekly Wage. The State Average Weekly Wage changes every year; in 2012 it is $860.34. Twenty times $860.34 is $17,206.80. So, in this example, using the Standard Base Period, the worker qualifies using the “Alternate Earnings Qualifier.”

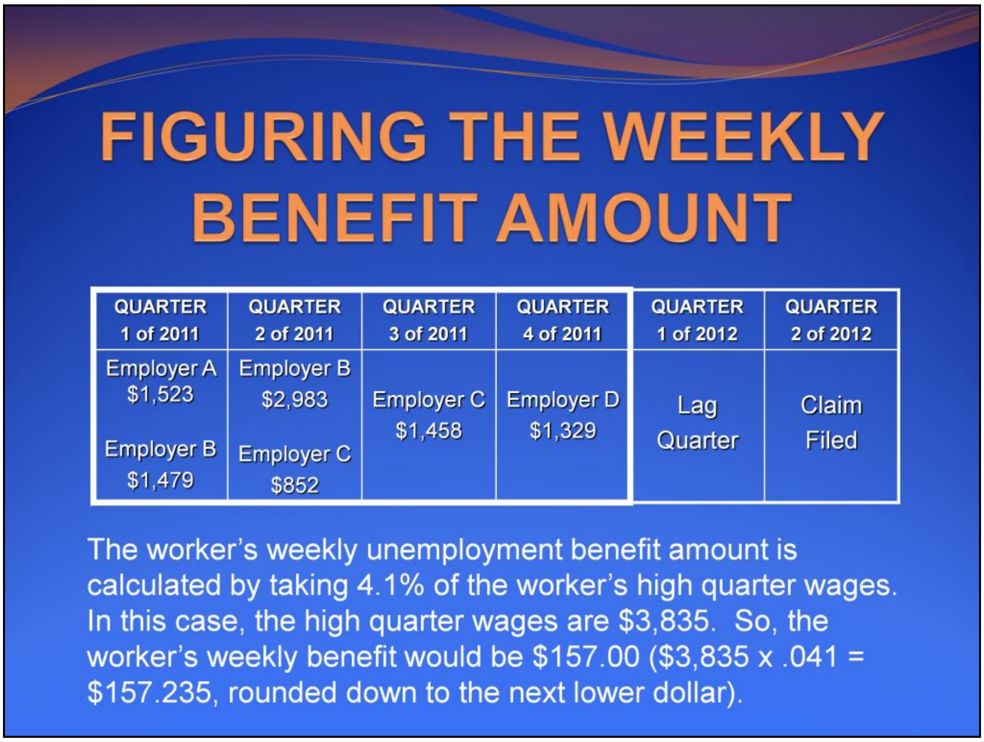


One last change in the numbers now. If the worker lacked sufficient wages in the "Standard Base Period" using the "Alternate Earnings Qualifier," the UIA must look to see if the wages in the "Alternate Base Period" were sufficient for the worker to qualify using the "Alternate Earnings Qualifier."

WAGES NEEDED TO QUALIFY FOR UNEMPLOYMENT BENEFITS

Standard Base Period:	Alternate Base Period:
❶ <u>Using Regular Qualifying Method:</u> ✔ High quarters wages at least $2,871 ✔ Total wages at least 1½ times high quarter wages	❸ <u>Using Regular Qualifying Method:</u> ✔ High quarters wages at least $2,871 ✔ Total wages at least 1½ times high quarter wages
❷ <u>Using Alternate Earnings Qualifier (AEQ):</u> ✔ Wages in at least 2 quarters ✔ Total base period wages of at least 20 x State Average Weekly Wage ($17,206.80 in 2012)	❹ <u>Using Alternate Earnings Qualifier (AEQ):</u> ✔ Wages in at least 2 quarters ✔ Total base period wages of at least 20 x State Average Weekly Wage ($17,206.80 in 2012)

So we have now seen the 4 ways a worker can qualify monetarily. They must be applied to a claim in the order shown. Once a worker qualifies using a qualifying method, they cannot try any of the other qualifying methods in an effort to achieve a higher benefit rate or more weeks of benefits.



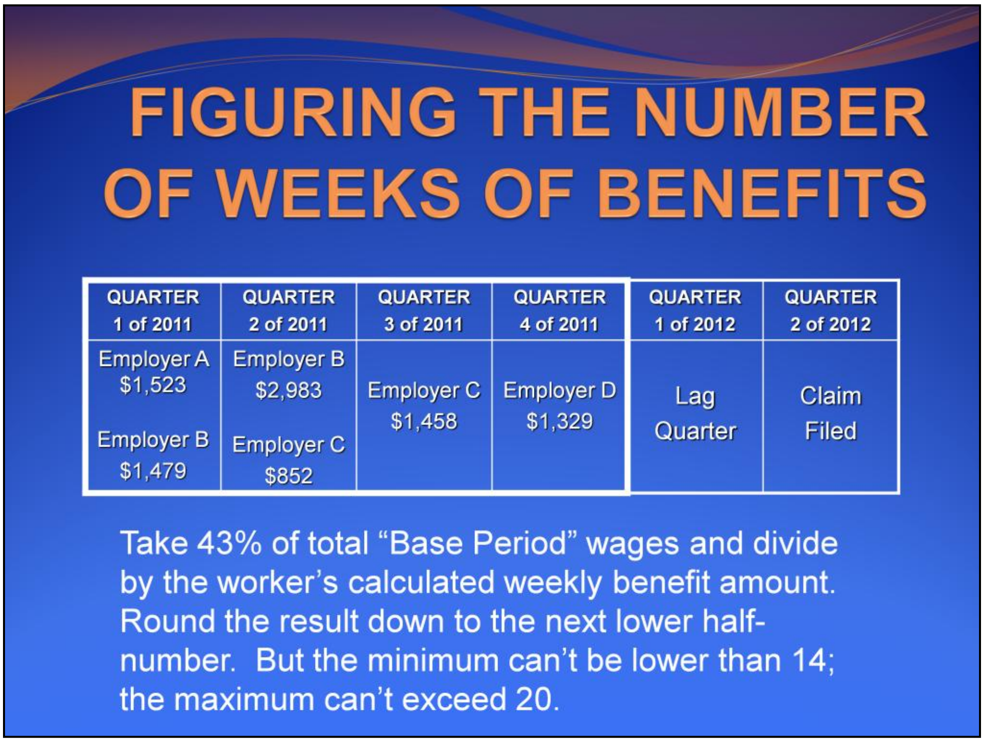
Now let's turn to how the Weekly Benefit Amount is calculated. We find the calendar quarter in which the worker had the highest wages. In this example, that will be the second calendar quarter of 2011, with total gross wages of $3,835 from the two employers that paid the worker wages in that quarter. We first multiply those high-quarter wages by 4.1%, and round the result down to the next lower dollar amount. $3,835 x .041 = $157.235, rounded down to $157.

FIGURING THE WEEKLY BENEFIT AMOUNT

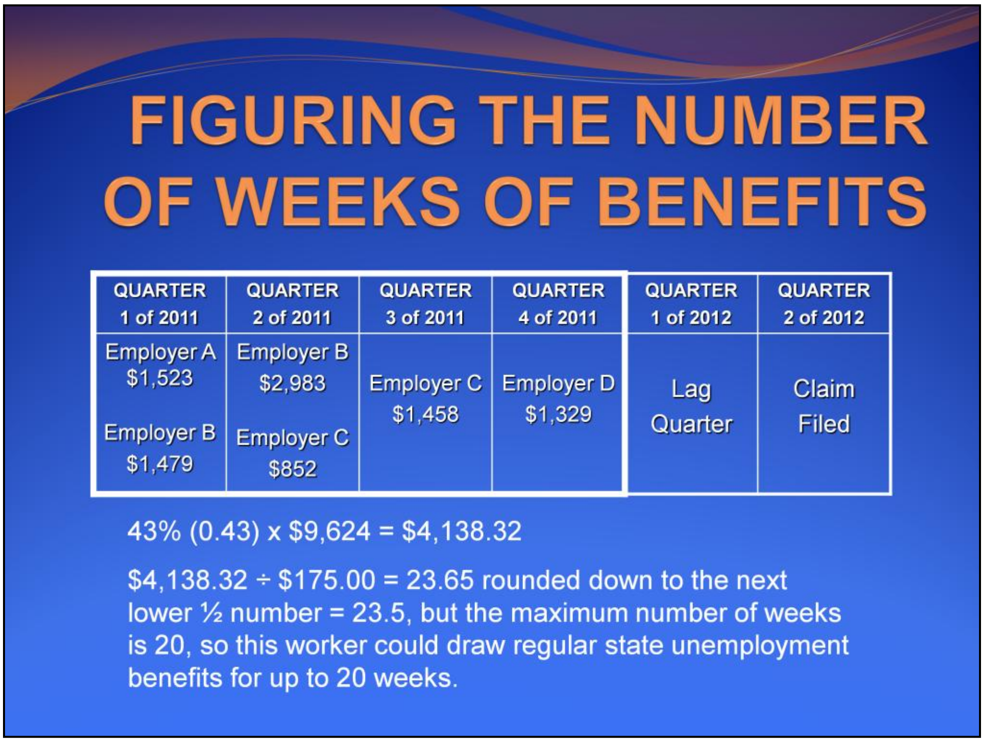
QUARTER 1 of 2011	QUARTER 2 of 2011	QUARTER 3 of 2011	QUARTER 4 of 2011	QUARTER 1 of 2012	QUARTER 2 of 2012
Employer A $1,523 Employer B $1,479	Employer B $2,983 Employer C $852	Employer C $1,458	Employer D $1,329	Lag Quarter	Claim Filed

In addition, $6.00 per dependent, up to 5 dependents, is added to the weekly benefit amount. If this claimant had 3 dependents, $18.00 more dollars would be added to the $157.00 amount, resulting in a weekly benefit amount of $175.00. The cap is $362.00.

An additional $6.00 is paid per dependent, up to 5 dependents. That's an additional $18 for this claimant's 3 dependents, for a total weekly benefit amount of $175. However, regardless of how the calculation comes out, the weekly benefit amount is capped by law at $362.00.



To figure the number of weeks of benefit payable on the claim, we take 43% of the worker's total gross wages in the Base Period of the claim, and divide the result by the worker's weekly benefit amount that we just calculated. The result is rounded down to the next lower ½ number. That will be the maximum number of weeks payable on the claim. But regardless of the calculation, the minimum number of weeks cannot be lower than 14, and the maximum cannot be greater than 20.



Forty-three percent (0.43) of this worker's total gross wages in the base period is $4,138.32. Dividing that number by the worker's weekly unemployment benefit rate, and rounding the result down to the nearest ½ number gives a result of 23½ weeks of benefits, but the maximum permitted duration is 20 weeks, so this worker could receive 20 weeks of regular state benefits.